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**FOR IMMEDIATE RELEASE**  
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**CANADA ENDS DISCRIMINATORY TELECOM PRACTICE IDENTIFIED BY  
USTR ANNUAL REVIEW OF TELECOMMUNICATIONS TRADE AGREEMENTS**

United States Trade Representative Charlene Barshefsky applauded the termination of Canada's discriminatory telecommunications trade practice. This practice was identified earlier this year during USTR's annual review of the operation of U.S. telecommunications trade agreements under section 1377 of the Omnibus Trade and Competitiveness Act of 1988.

Canada came under close scrutiny in this year's review, which was completed on March 31, 1998, for a restriction that prohibits the routing of international telecommunications services to or from Canada through the United States. "The decision by the Canadian Radio Television and Telecommunications Commission (CRTC) today was essential to assure that Canada honored its obligations in telecommunications services under the landmark WTO basic telecom agreement. U.S. telecommunications companies, which have extensive interests in Canada, now will be able to compete effectively for traffic between Canada and third countries, and they no longer will be legally inhibited from sending such traffic through their U.S.-based networks," said Ambassador Barshefsky.

The Canadian restriction prevented U.S.-based carriers from enjoying opportunities available to carriers in other countries for transmitting approximately \$700 million in international telecommunications traffic to and from Canada. The United States called for an end to the restriction in comments submitted in a Canadian regulatory proceeding earlier this year, while maintaining the option to initiate WTO dispute settlement proceedings if the CRTC decided not to eliminate the restriction. The CRTC's decision in the proceeding, announced today, resulted in the termination of this restriction and the implementation of other commitments by Canada under the WTO basic telecom agreement.

"Canada's decision is another step in the right direction away from past policies that inhibited trade in telecommunications services and information products across our border. I welcome the recognition by Canada that such restrictions can only slow the further development of Canada's information industries, and inhibit investment in a cutting-edge information infrastructure," said Ambassador Barshefsky.